1933

Department of Excise

OFFICE of the Comms

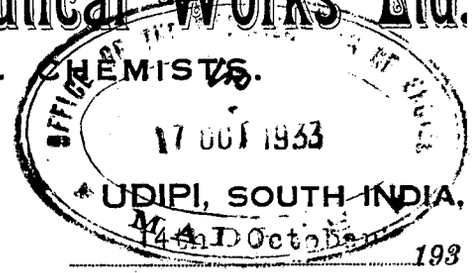
STATION Madras

No.	2116
Dated	13-12-33

Karnataka Chemical and Pharmaceutical Works Ltd.

MANUFACTURING PHARMACEUTICAL CHEMISTS.

MANAGING DIRECTOR:
Venkataraya Annappa Baliga



Ref. № L.58/33. Madras 14th October 193

The Commissioner of Excise,

Chepauk, Madras.

M12-13 (N) In your letter R.No 1003-Abk. dated 12th June 193 it was given that Alcohol Absolute B.P. cannot be treated as a medicinal preparations entitled to the concessional rate of duty and that its manufacture in a Pharmaceutical Laboratory will not be permitted. In connection with this have to say as follows:-

Alcohol Absolute of The Alembic Chemical Works Ltd and of The Bengal Chemical and Pharmaceutical Works Ltd is sold here at the retail rate of Rs 7-12-0. per pound.

It is sold duty free at Rs 2-0-0 per lb. in the Madras Presidency and we shall have to pay the duty here. This is given in their catalogue.

of duty. The exact rate of duty charged is not known. But it is clear from the rate of the same that it is allowed a concession-al rate of duty.

We have got a good demand for Absolute Alcohol in this Presidency. Hitherto it was being got from other provinces We want to manufacture it here. So we had included the name in the list of Preparations we propose to manufacture. But this has been disallowed. So we request that the same may be recon-sidered and a concessional rate of duty for the manufacture of Alcohol Absolute may be sanctioned.

the same and fix any reasonable rate of duty which will enable - the manufacturers of this province ~~Absolute Alcohol~~ to manufac--ture Absolute Alcohol and sell the same at the same rate as - other companies of other Provinces do.

I hope you will kindly do the needful in the matter patronise the Industrial Enterprise of this Presidency. Mean-

C Register No 1016.7/33, dated

From Karnataka Chemical & Phl Works Ltd, Mudip

L-58/33 dt 14-10-33

Subject.

Absolute Alcohol B.P. — Manufacture in bond — Rate of Excise duty — Information — Requested.

Sir

I am to request you to kindly let me know whether Alcohol Absolute B.P. is permitted to be manufactured in bond in Bengal / Bombay under Pharmaceutical Lab licences, and if so the rate of excise duty levied on such manufactures. If that rate differs from the general excise rate for Absolute Alcohol and Rectified spirit in the province, the extent of such difference may be kindly stated.

Karnataka Chemical and Pharmaceutical Works Ltd.

MANUFACTURING PHARMACEUTICAL CHEMISTS.

MANAGING DIRECTOR:
Venkataraya Annappa Balig

UDIPI, SOUTH INDIA.

1st November 193 3

4-11.1933

The Commissioner of Excise,

Chepauk, Madras.

Sir,

In continuation of my letter No L.58/33 dated 14th October 1933 I have state as follows:-

1. Ha..... been highly disappointed by the order No R. 1003-Abk dated 12-6-1933 that Alcohol Absolutum B.P cannot be treated as a medicinal preparation entitled to the concessional rate of duty I wish to bring to your kind notice that the other firms such as Bengal Chemical and - Pharmaceutical Works Ltd and The Alembic Chemical works - Ltd have got certain concessions which we alone here in - this Presidency have not got. So they are able to sell the same at a rate of Rs 6-4-0 per pound in this Presidency - also.

2. In Mangalore I went through a catalogue of Messrs D.V.Nayak and Co of Calicut .In it they have given the - prices of the different medicines manufactured by the Ben-gal Chemical and Pharmaceutical works Limited . I saw the

rate of Absolute Alcohol in it as Rs 6-4-0 per pound.

I am not allowed to manufacture Alcohol Absolutum B.P. in - ware-house. I do not know why we alone in this Presidency - should be at disadvantage whereas all the others in other Presidencies are getting concessions with regard to this.

While preparing Alcohol Absolutum wastage in converting 90 % Alcohol to Absolute Alcohol is about 66 %. So that if we take 100 gallon of Alcohol of 90 % we get only about 33 gallons of Absolute Alcohol. - The duty on those 100 gallons of 90 % Alcohol is 37-8-0 per proof gallon ie Rs 60/- per gallon of 90 % Alcohol ie Rs 6000/-. So the duty on 33 - gallons is about Rs 6000/- ie ie on 1 gallon about 182/- in addition to - this we have to include the cost of Alcohol used, working cost which will come to about Rs 240/- ie Rs 8/- per gallon. Thus merely for the manufac of the same ~~xxxx~~ we must spend about Rs 190 per gallon. We have to add to this the ~~xxxx~~ profits of the manufacturer as well as the middleman's - profits.

5. So if we are not given special concession here in this Presi- -dency also we shall not be in a position to compete with the outsiders - who are selling the same at Rs 6-4-0 per pound. How this is possible we cannot know. How duty is calculated on the Absolute Alcohol imported ~~xxx~~ from outside Provinces is not known. If it is calculated at the rate of - Rs 5/- per proof gallon on the actual contents of the alcohol it may be possible to compete with he outsiders.

6. So I request that all these points may be taken into conside- -ration while disposing off of my application. As there is a good demand

for Absolute Alcohol with the Doctors and a good deal of the same is imported from other Presidencies. It is being sold here at the rate of of Rs 6-4-0 per lb. This can be seen from the price list of Messrs D.V Nayak of Calicut. If we also are allowed same concessions as others are allowed in other Provinces we shall be able to compete with them and the Industry of this Province will steadily increase which means a good pro-fit or income to this Government; and unemployment question will also be settled in a way to some extent.

KARNATAKA CHEMICAL AND PHARMACEUTICAL WORKS, LTD., UDIPI.

Continuation sheet No. ..... *of Ref. No.* L.71/33

Meamwhile hoping to receive the favour of an early

reply to this letter and thanking you in anticipation,

I have the Honour to be

Sir,

Your Most Obedient Servant,

For Karnataka Pharmaceutical

Veerakaraya Baliga

Managing Director.

Submitted for perusal. This may remain over pending receipt of replies to this office letter at p.4.c.3. from Bengal and Bombay

J. P. Brander, Esquire, I.C.S.(Ret.),
Commissioner of Excise, BOMBAY.

The Commissioner of Excise,
MADRAS.

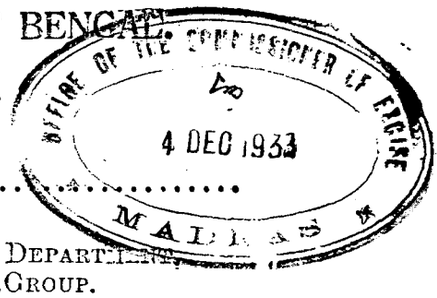
Bombay. 6th November 1933.

With reference to your C.R. No. 7016-a/33, dated 23rd October 1933, I have the honour to state that in this Presidency absolute alcohol is permitted to be manufactured in bond at Pharmaceutical Laboratories. On clearance from bond it is liable to excise duty at the same rate as rectified and other potable spirits viz. Rs 25/10/- per proof gallon.

Your most obedient servant,

FOR COMMISSIONER OF EXCISE.

GOVERNMENT OF BENGAL.



OFFICE OF.....

DEPARTMENT.....

.....GROUP.

BRANCH.

No. 7150 E

The Commissioner of Excise and Salt, Bengal,

The Secretary to the Commissioner of Excise, Triplicane
Madras.

Dated....Calcutta, the 29th November 1933.

With reference to your letter C.R. No. 7016 a/33 dated rd October 1933, I have the honour to inform you that absolute cohol is allowed to be manufactured in bond, under pharmaceu-cal laboratory license, and the rate of duty levied on it is e same as on potable India made Foreign Liquor, but it is ovided that it can be issued at the concession rate of duty Rs 5/- per L.P gallon to special permit holders authorised obtain it for medicinal, industrial and research purposes.

Bombay & Calcutta Excise Commrs. of Absolute alcohol is permitted in their Province to be manufactured under Lab & Pharmaceutical licence & Govt. so low rate of excise duty levied on such manufactures & to differs from the general excise rate to which export

PS 1.10.33

A draft below for approval

23.10.33.

PS 23/10/33.

23.10.33.

without any concession. This is however incorrect. All firms dealing in Absolute Alcohol & Rect in this Presy get their supplies of such Spirit only on payment of duty at the full tariff Rate of Rs. 37-8-0 per p. gln., and the Rate of Rs 7-12-0 per ltr referred to by the petnrs must include the duty at this Rate.

The petnrs may be informed that Absolute Alcohol manufactured in this Presy & manufactured in other provinces and imported into the Presy & imported from foreign countries by sea, is liable to duty at the tariff Rate of Rs 37-8-0 per p. gln and Govt of India sees no reason to grant the petnrs a concessional Rate of duty for ~~the liquid~~

ased in the case of ~~Madras~~ Bengal it is probably
Rs 21-14-0 Besides this Bengal allows a Concession
vide ¶ 11 C-f We advised tariff rate viz
Rs 37-8-0 per proof gallon irrespective of the
pack whether absolute alcohol & rectified Spirit
is imported from outside manufactured
in the Orissa We cannot recommend to
Govt ~~any~~ a reduction ~~decrease~~ in this rate of duty
on the representation of a newly started Pharmacy
of this kind ACD on the two points
submitted above should be helpful & the
may be sent to them U.O for remarks

from time to time in this province, the
Friendly Inns on Indian and unwarrantably
used in the presence of the Excise Officer
for the purpose for which they were provided,
& the Indians re again allowed with the
Officers Seal. Accounts are also kept showing
in friendly manner & the purpose for
which issued. If a concession is
granted & withdrawn it would be
well-nigh impracticable to check misuse
of the privilege. ~~The Local Excise Officer~~
~~cannot distinguish~~ after wine from brandy,
and the Excise Control must necessarily
cease as in the case of other Spirituous
Preparations. Absolute alcohol can be
indeed in strength & coloured & flavoured
& resemble portable Spirits & such
misuse & the privilege can hardly be
brought home & the delinquent who can
always plead ~~by~~ the alcohol was imported
and duly locally-made & the Local Excise
Officers can not be expected as they
able & distinguish between absolute alcohol
imported and duly produced in the Country.
It is because the Importation of Potable Spirits
and absolute alcohol ~~is~~ duly Controlled,
that these forms of alcohol are exempted
at the low tariff rate of duty on imported

In consideration any loss is likely to be caused by dealing with Rectified Spirits and absolute alcohol in an illegal manner.

Rs 6.4.0 per pound (or half a gallon) minus Rs 3.12.0 as duty of the Tariff rate and of the selling price is Rs 2 Re the duty, there is little a Margin of profit to the retailer Between Rs 6 and Rs 8 and the Concession rate of duty is allowed for absolute alcohol though the rate of duty should vary Slightly in case of the former.

On the analogy of the administration of other provinces in India as in case of the charges of the Bureau there is no one for considering a Concession in the rate of duty on absolute alcohol if formally sold Manufactured

It does not follow that the practice in other provinces should be followed in this province for a distinct Tribal Bombay has exempted the rate of duty on Spirit alcohol used in the Manufacture of Medicinal Preparations and in case Madras and other Provinces prepare, the same rate there is lower than there in Bombay, Bihar province is in Presidency. Then Madras Province to

(formerly Mr Smith's Farm) opened their Laboratory they applied for the privilege to distill & manufacture absolute alcohol & were refused the Concession without any regard to the question of duty. To permit the Manufacture of absolute alcohol in bond is the practice of establishments where the first license was granted for the Manufacture of Spirituous & medicinal preparations in Bond, & was a matter for consideration whether an officer of the Bank of Commerce should be appointed & instructions in view of the Concession in the rate of duty. It was therefore decided to appoint a Lb Storekeeper in the first grade in whom more responsibility could be reposed for Manufacture of absolute alcohol who would receive some from a distillery the process of Concentration rectification & dehydrate it - as far as it can be practically done. Many mistakes will

It is unlikely that Petitioners would agree to defray the Cost of establishing, especially when the Concession in the rate of duty is allowed. It is also doubtful according to Petitioners own figures, whether they would embark on the Manufacture of absolute alcohol even if provided with any Concession in the rate of duty. The present rate prohibiting the Manufacture of absolute alcohol Mr. Gard as the other licensed holders have further asked for the privilege also any Concession in the rate of duty

the fact that no concession in the rate of duty on Absolute Alcohol is allowed to any importing & manufacturing firm in this Presy and that they cannot claim a concession which is allowed to no one in this Presy they can be told that no concession in duty is allowed on Abst. Alcohol in this Presy and that the Co cannot make an exception in their case. The licensees may also be informed that they would be permitted to manufacture Absolute Alcohol in the Pharmaceutical Laby provided that they are agreeable to the cost of estt of one A.I required for supervision instead of one S.I as at present, and provided that duty is paid at the tariff rate of Rs 21 per p. gn.

for orders

12/12/23